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**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

**Inspection Report**  
**Minerals Regulatory Program**  
April 18, 2008

Supervisor

<b>Mine Name:</b> Sliver 1-2 mine	<b>Permit Number:</b> S/001/0035
<b>Operator Name:</b> Penney's Gemstones, LLC	<b>Inspection Date:</b> April 8, 2008
<b>Inspector(s):</b> Lynn Kunzler	<b>Time:</b> 3:00 pm
<b>Other Participants:</b> Ed, Ginouves, BLM	<b>Mine Status:</b> active

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls,	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Purpose of Inspection:**

Inspect recently completed reclamation work.

**Inspection Summary:**

Operator was under requirements to reclaim this site and had recently informed the Division that the reclamation had been completed. Observations made at the site indicated that there had been regrading work recently, but did not completely reclaim the area. There was a significant highwall left as well as overburden piles that were not completely reclaimed. It appears that there would be sufficient material to return the entire site to near pre-mining contours.

Photos were taken to document site conditions.

**Conclusions and Recommendations:**

It appeared that only minimal effort was made to reclaim this site. The Division should encourage to operator to do more work. The area also needs to be seeded to complete the reclamation of the site.

**Inspector's Signature**

LK:pb

cc: Dave Penney, Operator

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S/001/035  
Internal

**From:** Tom Munson  
**To:** ep7@xmission.com  
**CC:** Lynn Kunzler; Susan White  
**Date:** 4/1/2008 10:54 AM  
**Subject:** What have accomplished in regards to Sliver reclamation?  
**Attachments:** Extension of Time for Sliver 1-2\_1.doc

Hello Dave, what have you accomplished in regards to the reclamation at the Sliver site? Your stipulated agreement with the Board of Oil, Gas, and Mining gave you until the 31st of March to complete this reclamation. Lynn Kunzler will be in the area next week to do an inspection of this site. Tom

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